

**Bossier Arts Council**  
**Financial Statements**  
**June 30, 2013 and 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **MAR 26 2014**

**Bossier Arts Council**

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**Bossier Arts Council  
Bossier City, Louisiana**

**Statements of Financial Position  
June 30, 2013 and 2012**

**Assets**

	<u>2013</u>	<u>2012</u>
Current assets		
Cash	\$ 33,423	\$ 12,625
Accounts receivable	7,877	5,650
Prepaid expenses	<u>2,500</u>	<u>2,953</u>
Total current assets	<u>43,800</u>	<u>21,228</u>
Property and equipment, net	<u>13,594</u>	<u>7,025</u>
Total assets	<u><u>\$ 57,394</u></u>	<u><u>\$ 28,253</u></u>

**Liabilities and Net Assets**

Current liabilities		
Accounts payable	\$ 7,146	\$ 152
Accrued payroll and taxes	2,830	990
Grants payable	4,500	4,683
Deferred revenue	<u>5,000</u>	<u>5,913</u>
Total current liabilities	<u>19,476</u>	<u>11,738</u>
Long-term liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>19,476</u>	<u>11,738</u>
Net assets		
Unrestricted	28,295	10,841
Temporarily restricted	<u>9,623</u>	<u>5,674</u>
Total net assets	<u>37,918</u>	<u>16,515</u>
Total liabilities and net assets	<u><u>\$ 57,394</u></u>	<u><u>\$ 28,253</u></u>

See accompanying independent accountant's review report and notes to financial statements

**Bossier Arts Council  
Bossier City, Louisiana**

**Statement of Activities  
for the Year Ended June 30, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
Revenue from operations			
Support and contributions			
Contributions	\$ 8,981	\$ 20,000	\$ 28,981
State arts council grants	16,290	17,998	34,288
Municipal government contributions	80,000	-	80,000
Municipal in-kind revenue	130,000	-	130,000
Other revenue			
East Bank Theatre	12,117	-	12,117
East Bank Gallery	3,008	-	3,008
Membership dues	3,418	-	3,418
Services	24,280	-	24,280
Fundraising	59,973	-	59,973
Interest	9	-	9
Net assets released from restrictions	<u>34,049</u>	<u>( 34,049)</u>	<u>-</u>
Total revenue from operations	<u>372,125</u>	<u>3,949</u>	<u>376,074</u>
Operating expenses			
Salaries and payroll taxes	92,089	-	92,089
Grant expenses	17,998	-	17,998
Production cost and supplies	26,348	-	26,348
Office expenses	30,967	-	30,967
Accounting and consulting	5,680	-	5,680
Art classes and workshops	5,211	-	5,211
Depreciation	2,713	-	2,713
Fundraising and development	31,648	-	31,648
Dues and subscriptions	538	-	538
Municipal in-kind expense	130,000	-	130,000
In-kind rent expense	8,333	-	8,333
Other expenses	3,146	-	3,146
Total operating expenses	<u>354,671</u>	<u>-</u>	<u>354,671</u>
Change in net assets	17,454	3,949	21,403
Net assets, beginning of year	<u>10,841</u>	<u>5,674</u>	<u>16,515</u>
Net assets, end of year	<u><u>\$ 28,295</u></u>	<u><u>\$ 9,623</u></u>	<u><u>\$ 37,918</u></u>

See accompanying independent accountant's review report and notes to financial statements

**Bossier Arts Council  
Bossier City, Louisiana**

Statement of Activities  
for the Year Ended June 30, 2012

	Unrestricted	Temporarily Restricted	Totals
Revenue from operations			
Support and contributions			
Contributions	\$ 11,181	\$ 8,400	\$ 19,581
State arts council grants	12,000	29,610	41,610
Municipal government contributions	45,000	-	45,000
Municipal in-kind revenue	130,000	-	130,000
Other revenue			
East Bank Theatre	12,108	-	12,108
East Bank Gallery	2,631	-	2,631
Membership dues	2,988	-	2,988
Services	19,649	-	19,649
Fundraising	36,513	-	36,513
Interest	19	-	19
Net assets released from restrictions	38,010	( 38,010)	-
Total revenue from operations	310,099	-	310,099
Operating expenses			
Salaries and payroll taxes	80,817	-	80,817
Grant expenses	29,610	-	29,610
Production cost and supplies	10,867	-	10,867
Office expenses	12,043	-	12,043
Accounting and consulting	5,659	-	5,659
Art classes and workshops	2,600	-	2,600
Depreciation	2,394	-	2,394
Outreach projects	2,373	-	2,373
Fundraising and development	13,940	-	13,940
Dues and subscriptions	30	-	30
Municipal in-kind expense	130,000	-	130,000
Other expenses	3,901	-	3,901
Total operating expenses	294,234	-	294,234
Change in net assets	15,865	-	15,865
Net assets, beginning of year	( 5,024)	5,674	650
Net assets, end of year	\$ 10,841	\$ 5,674	\$ 16,515

See accompanying independent accountant's review report and notes to financial statements

**Bossier Arts Council  
Bossier City, Louisiana**

**Statements of Cash Flows  
for the Years Ended June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Change in net assets	\$ 21,403	\$ 15,865
Adjustments to reconcile change in net assets to cash provided by operating activities		
Depreciation	2,713	2,394
(Increase) decrease in		
Accounts receivable	( 2,227)	3,095
Prepaid expenses	453	( 2,953)
Increase (decrease) in		
Accounts payable	6,994	( 1,204)
Accrued payroll and taxes	1,840	( 1,953)
Grants payable	( 183)	( 14,288)
Deferred revenue	( 913)	5,913
Other current liabilities	-	( 525)
Cash provided by operating activities	<u>30,080</u>	<u>6,344</u>
Cash flows from investing activities		
Purchase of property and equipment	( 9,282)	( 7,405)
Cash used in investing activities	<u>( 9,282)</u>	<u>( 7,405)</u>
Net increase (decrease) in cash	20,798	( 1,061)
Cash - beginning	12,625	13,686
Cash - ending	<u>\$ 33,423</u>	<u>\$ 12,625</u>

See accompanying independent accountant's review report and notes to financial statements

## **Bossier Arts Council**

### **Notes to Financial Statements June 30, 2013 and 2012**

#### **Note 1 Organization and Significant Accounting Policies**

Bossier Arts Council ("the Arts Council") is a not-for-profit corporation formed under the laws of the State of Louisiana. The Arts Council is an organization of volunteers and professional staff, dedicated to promoting, supporting, and providing cultural events and programming of the highest possible quality in Bossier Parish. The Council encourages the development and growth of other arts organizations and individuals in order to enhance the quality of life and to develop a cultural identity for Bossier Parish.

**Basis of Accounting** - The accounting policies of the Arts Council conform to accounting principles generally accepted in the United States of America, and reflect practices appropriate to the industry in which it operates. The Arts Council prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred. The more significant accounting policies of the Arts Council are described below.

**Financial Statement Presentation** - The Arts Council presents its financial statements in accordance with the Financial Accounting Standards Board Accounting Standards Codification section 958 and subsections, which establishes standards of basic accounting and reporting for not-for-profit organizations. Under this standard, the Arts Council is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. Some unrestricted net assets may be designated by the governing board of the Arts Council for specific purposes.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Arts Council and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Arts Council. Generally, donors permit all or part of the income earned on these assets to be used for general or specific purposes.

**Cash** - The Arts Council considers all highly liquid debt instruments with a remaining maturity at date of purchase of three months or less to be cash equivalents. The demand deposit balances, as reflected in the bank's records, are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2013 and 2012, the Arts Council's cash balances were fully secured. The Arts Council had no cash equivalents.

**Accounts Receivable** - The Arts Council has grants and other receivables recorded at the amount to be received.

**Allowance for Doubtful Accounts** - The allowance for doubtful accounts is evaluated on a regular basis by management and is based upon management's periodic review of the collectability in light of historical experience, the nature and type of account, adverse situations that may affect the payor's ability to repay and economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available. Receivables deemed uncollectible are charged off against the allowance when management believes the uncollectibility is confirmed.

**Contributions** - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is

accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions

**Property and Equipment** - Assets purchased are recorded at cost and depreciated using the straight-line method over the estimated useful life. The Arts Council generally capitalizes expenditures for buildings, furniture, fixtures and equipment in excess of \$500. Donated assets are recorded at their estimated fair value at the date of donation and are depreciated using the same method as assets purchased.

**Public Support** - All contributions are considered to be available for unrestricted use, unless specifically restricted by the donor.

**Advertising Costs** - Advertising costs are expensed as incurred. For the years ended June 30, 2013 and 2012, the Arts Council recorded advertising costs of \$2,274 and \$1,623, respectively.

**Donated Services** - Donated property and non-cash donations are recorded as contributions at their fair market value at the date of donation. Contributed services are recognized if the services require specialized skills and the Arts Council would be required to purchase these services if donated services were not available.

**Federal Income Tax** - Under provisions of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of Louisiana, the Arts Council is exempt from income taxes, except from unrelated business income. There were no unrelated business activities for the years ended June 30, 2013 and 2012. Accordingly, no tax expense was incurred for the years ended June 30, 2013 and 2012. The Arts Council believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Arts Council is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for tax years prior to 2008.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles, generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Reclassifications** - Certain reclassifications have been made in the 2012 financial statements in order to conform to the classifications used in 2013.

**Subsequent Events** - The Arts Council has evaluated subsequent events through December 30, 2013, the date which the financial statements were available for distribution, concluding there were no events requiring disclosure.

## **Note 2 Accounts Receivable**

Accounts receivable at June 30, 2013 and 2012, consist of

	<u>2013</u>	<u>2012</u>
Grants receivable	\$ 3,000	\$ 3,000
Other receivables	<u>4,877</u>	<u>2,650</u>
	7,877	5,650
Allowance for doubtful accounts	-	-
Net accounts receivable	<u><u>\$ 7,877</u></u>	<u><u>\$ 5,650</u></u>



**Note 3 Property and Equipment**

A summary of property and equipment at June 30, 2013 and 2012, is as follows

	2013	2012
Nondepreciable assets		
Construction in progress	\$ 5,680	\$ -
Depreciable assets		
Furniture and fixtures	61,151	57,549
East Bank Theatre equipment	11,876	11,876
Annex building	14,441	14,441
Total property and equipment	93,148	83,866
Accumulated depreciation	( 79,554)	( 76,841)
Property and equipment, net	<u>\$ 13,594</u>	<u>\$ 7,025</u>

Depreciation expense was \$2,713 and \$2,394, respectively, for the years ended June 30, 2013 and 2012

**Note 4 Operating Lease**

The Arts Council leases a copier under the terms of an operating lease. The term of the lease is for 60 months beginning August 25, 2010. Lease terms include a monthly base rental payment as well as overage fees for usage over the monthly allowance. Total copier expense was \$7,713 and \$7,190, respectively, for the years ended June 30, 2013 and June 30, 2012. Future minimum lease payments under the operating lease are as follows:

Year Ending June 30	
2014	\$ 4,332
2015	4,332
2016	722
Total	<u>\$ 9,386</u>

**Note 5 Related Party Transactions**

The Arts Council received free use of space owned by a related party board member for the Gallery Fine Arts Center, a satellite location, in the current year. Contributions and expenses related to the donated rent amounting to \$8,333 for the fiscal year ended June 30, 2013, have been reflected in contributions revenue and in-kind rent expense, respectively, in the accompanying statement of activities.

**Note 6 Temporarily Restricted Net Assets**

Temporarily restricted net assets at June 30, 2013 and 2012, are available for the following purposes:

	2013	2012
Senior Stars program	\$ 5,674	\$ 5,674
Gallery Fine Art Center	3,949	-
	<u>\$ 9,623</u>	<u>\$ 5,674</u>

**Note 7 Concentration of Revenue Sources**

Approximately 56% and 55%, or \$210,000 and \$170,000, of the Arts Council's revenue are derived from contributions received from the City of Bossier City for the years ended June 30, 2013 and 2012, respectively. Included in the revenue for each year is \$130,000 of in-kind revenue recorded for consideration of rent and utilities paid by the City of Bossier City. The current level of the Arts Council's operations and program services may be impacted or segments discontinued if the funding and in-kind revenue are not renewed.

**Note 8      Contingent Liabilities**

The Arts Council receives grants that are subject to review and audit by the agency providing the funding. Such reviews and audits could result in expenses being disallowed under the terms and conditions of the grants. In the opinion of management, such disallowances, if any, would be immaterial.

**Note 9      Line of Credit**

The Arts Council has a line of credit with a bank for \$30,000 as of June 30, 2013, which is unsecured. The line of credit bears interest of 5.25% on any outstanding balance. At June 30, 2013 and 2012, no balances were outstanding on the line of credit.



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Shreveport Louisiana 71104

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### Independent Accountant's Review Report

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To the Board of Directors  
Bossier Arts Council  
Bossier City Louisiana

We have reviewed the accompanying statements of financial position of Bossier Arts Council as of June 30, 2013 and 2012, and the related statements of activities and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

*CARR, RIGGS & INGRAM, LLC*

CARR RIGGS & INGRAM LLC

Shreveport, Louisiana  
December 30, 2013

**Bossier Arts Council  
Bossier City, Louisiana**

**Schedule of Findings and Responses  
for the Year Ended June 30, 2013**

**Current Year Findings**

**None**

**Prior Year Findings**

**None**

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors  
Bossier Arts Council  
Bossier City, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below which were agreed to by the management of Bossier Arts Council, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/ agencies solely to assist the users in evaluating management's assertions about Bossier Arts Council's compliance with certain laws and regulations during the year ended June 30, 2013, included in the accompanying *Louisiana Attestation Questionnaire*. Management of Bossier Arts Council is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

*Federal, State, and Local Awards*

- 1 Determine the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Bossier Arts Council incurred state grant expenditures related to the decentralized arts funding grant totaling \$22,288 and the general operating support stabilization grant totaling \$12,000 for the fiscal year ended June 30, 2013.

- 2 For each federal, state and local award, we randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.
- 3 For the items selected in procedure 2, we traced six disbursements from each grant to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the twelve selected disbursements and found that payment was for the proper amount and made to the correct payee.

- 4 For the items selected in procedure 2, we determined if the six disbursements were properly coded to the correct fund and general ledger account.

All items selected were properly coded to the correct fund and general ledger account.

- 5 For the items selected in procedure 2, we determined whether the six disbursements received approval from proper authorities.

All items selected were properly approved.

- 6 For the items selected in procedure 2, we determined whether the disbursement complied with the grant agreement, relating to activities allowed or unallowed, eligibility, and reporting.

All items selected were determined to be in compliance with the grant agreement.

- 7 For the programs selected for testing in item (2) that have been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree

We compared the items selected for testing the decentralized arts funding grant above to the close-out report and agreed to the entity's financial records with no exceptions. The general operating support stabilization grant does not require a close-out report specifying grant expenditures.

#### *Open Meetings*

- 8 We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by R S 42:1 through 42:13 (the open meetings law)

Bossier Arts Council is only required to post a notice of each meeting and the accompanying agenda on the door of the Bossier Arts Council's office building. Although management has asserted that such documents were properly posted for board meetings (not executive committee meetings) we could find no evidence supporting such assertion.

#### *Budget*

- 9 For all grants exceeding five thousand dollars, determine that each applicable federal, state, or local grantor agency/agencies was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Bossier Arts Council is not required to prepare a budget for the decentralized arts funding grant. The allocation of funds is initially determined by the state who allocates to each region in the state. One regional agency will then contract with the agencies in the region. A budget specific to the general operating support stabilization grant was not required. The State Department of Culture, Recreation and Tourism was provided a detailed budget to actual report for all activity.

#### *Prior Comments and Recommendations*

- 10 Review any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

Bossier Arts Council had a review performed for the year ended June 30, 2012, and this engagement did not have any findings and recommendation related to agreed-upon procedures for that period.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Bossier Arts Council, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*CARR, RIGGS & INGRAM, LLC*

CARR, RIGGS & INGRAM, LLC

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Quasi-public Agencies)**

November 4, 2013 (Date Transmitted)

Carr, Riggs & Ingram, LLC

P O Box 4278

Shreveport, LA 71134

(Auditors)

In connection with your review of our financial statements as of June 30, 2013 and for the period then ended, and as required by Louisiana Revised Statute (R S ) 24 513 and the Louisiana Governmental Audit Guide, we make the following representations to you We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations We have evaluated our compliance with the following laws and regulations prior to making these representations

These representations are based on the information available to us as of (date of completion/representation)

**Federal, State, and Local Awards**

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year

Yes [☒] No [ ]

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials

Yes [☒] No [ ]

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation

Yes [☒] No [ ]

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements

Yes [☒] No [ ]

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R S 42.11 through 42 28 (the open meetings law)

Yes [☒] No [ ]

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [☒] No [ ]




**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments

Yes [☒] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

 Secretary 11/18/13 Date  
 Treasurer 11/4/13 Date  
 President 11-18-13 Date